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IN THE
Supreme Court of the United States

OCTOBER TERM, 1995

LOTUS DEVELOPMENT CORPORATION,
v. *Petitioner,*
BORLAND INTERNATIONAL, INC.,
Respondent.

On Writ of Certiorari to the
United States Court of Appeals
for the First Circuit

**MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE
AND BRIEF AMICUS CURIAE OF
AMERICAN INTELLECTUAL
PROPERTY LAW ASSOCIATION
IN SUPPORT OF NEITHER PARTY**

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MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE

The American Intellectual Property Law Association ("AIPLA"), a national association with interests primarily in the areas of copyright, patent, trademark, trade secret and other intellectual property, respectfully moves for leave to file the attached brief *amicus curiae* in this copyright infringement case. The consent of the attorney for petitioner has been obtained. The consent of the attorney for respondent was requested but refused.

In 1980, Congress adopted the Final Report of the National Commission on New Technological Uses of Copyrighted Works ("CONTU Report") which recommended that Congress continue to protect computer programs as literary works under copyright law. CONTU Report 11 (1978). AIPLA makes this motion because the First Circuit's reasoning, underlying its decision to find petitioner's computer program menu command hierarchy to be

per se uncopyrightable, ignores this congressional mandate and abandons the fundamental Constitutional analysis heretofore used to distinguish between protected, copyrightable expression and unprotected idea.

AIPLA is in a unique position as an *amicus* because it does not offer the views of a partisan party, or of an industry or segment thereof. Rather, AIPLA's interest is in developing and maintaining a body of law which is consistent with the purposes of the Constitution's Copyright Clause.

AIPLA therefore respectfully requests that the Court grant its motion for leave to file the accompanying brief, and consider AIPLA's arguments during its deliberations.

Respectfully submitted,

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BRIEF AMICUS CURIAE OF
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IN SUPPORT OF NEITHER PARTY

INTEREST OF AMICUS CURIAE

American Intellectual Property Law Association ("AIPLA") files this *amicus curiae* brief to aid the Court in its review of the ruling of the United States Court of Appeals for the First Circuit in the above-titled case.

AIPLA is a national association of more than 9,000 members, primarily attorneys, whose interests and practices lie in the areas of copyright, patent, trademark, trade secret and other intellectual property law. Membership in AIPLA is drawn from private law firms, corporations, universities and government. Attorney members of AIPLA represent both copyright owners and their competitors.

AIPLA does not support either party to this appeal nor have an interest in the outcome of this appeal, except to the extent that the outcome affects copyright law, thereby affecting AIPLA members and the public generally. Rather, AIPLA offers the views of a leading organization of intellectual property attorneys representing a broad range of views. Accordingly, AIPLA's concerns that the First Circuit's reasoning violates basic principles of both copyright law and statutory interpretation are the product of a non-partisan analysis.

SUMMARY OF ARGUMENT

The United States Court of Appeals for the First Circuit applied Section 102(b) of the Copyright Act, 17 U.S.C. § 102(b),¹ to deny copyright protection for the expression it assumed was contained in the menu command hierarchy of the Lotus 1-2-3 spreadsheet program. *Lotus Development Corp. v. Borland International Inc.*, 49 F.3d 807, 815 (1st Cir. 1995) ("*Lotus*").

The First Circuit accepted the finding of the district court that the Lotus 1-2-3 menu command hierarchy contained expressive elements, but it concluded that the entirety of the menu command hierarchy was a "method of operation" under Section 102(b) and thus did not constitute copyrightable subject matter. *Lotus*, 49 F.3d at 815-16. Defining "method of operation" as "the means by which a person operates something," *id.* at 815, the First Circuit determined that, because the Lotus command hierarchy is necessary to operate the Lotus program, it is therefore unprotectible. The First Circuit's approach is an unnecessary departure from the analysis

¹ 17 U.S.C. § 102(b) provides:

In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

employed by other courts, and it ignores fundamental principles of copyright law, codified by Congress in the Copyright Act.

AIPLA expresses no view as to whether the Lotus 1-2-3 menu command hierarchy is idea or expression, whether the hierarchy constitutes expression which has merged with the idea it embodies, whether any other copyright doctrine may require filtering out of certain expression, nor whether any other defenses are applicable. AIPLA believes, however, that the reasoning used by the First Circuit to reach its ultimate result is incorrect.

ARGUMENT

I. THE COPYRIGHT ACT PROTECTS COMPUTER PROGRAMS AS LITERARY WORKS

Under § 101 of the Copyright Act, a computer program is defined as "a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result." 17 U.S.C. § 101. That same section of the Act defines "literary works" as:

[W]orks, other than audiovisual works, expressed in words, numbers, or other verbal or numerical symbols or indicia, regardless of the nature of the material objects, such as books, periodicals, manuscripts, phonorecords, film, tapes, disks, or cards, in which they are embodied.

Id. Computer programs are therefore literary works by statutory definition.²

² The legislative history confirms that Congress intended to encompass computer programs within the definition of "literary works" in the Copyright Act:

The term "literary works" does not connote any criterion of literary merit or qualitative value: it includes catalogs, directories, and similar factual, reference, or instructional works and compilations of data. It also includes computer data bases, and computer programs to the extent that they incorporate

Apart from the specific exceptions set forth in § 117 of the Act,³ Congress did not create a lesser or different standard of protection for computer programs than for any other literary works. Thus, just as the plot, characters, and other non-literal elements of a novel or play may constitute protectible authorship, *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930), *cert. denied*, 282 U.S. 902 (1931), courts have recognized the copyrightability of the non-literal elements of computer programs.⁴

The legislative history of the Copyright Act supports this widespread judicial recognition of copyrightable au-

authorship in the programmer's expression of ideas, as distinguished from the ideas themselves.

H.R. Rep. No. 1476, 94th Cong., 2d Sess. 54, *reprinted in* 1976 U.S.C.C.A.N. 5659, 5667 ("House Report") (emphasis added).

³ 17 U.S.C. § 117 permits the owner of a copy of a computer program to make an additional copy of the program for archival purposes, or where the making of such a copy is "an essential step in the utilization of the computer program in conjunction with a machine and . . . is used for no other purpose." The § 117 exceptions to the copyright owner's exclusive rights clearly contemplate that computer programs are to be afforded copyright protection. *See Apple Computer, Inc. v. Franklin Computer Corp.*, 714 F.2d 1240, 1248 (3d Cir. 1983) ("the language of [§ 117] . . . by carving out an exception to the normal proscriptions against copying, clearly indicates that programs are copyrightable and are otherwise afforded copyright protection"), *cert. dismissed*, 464 U.S. 1033 (1984) ("Apple Computer").

⁴ *Computer Associates International, Inc. v. Altai, Inc.*, 982 F.2d 693, 702 (2d Cir. 1992) ("Altai") ("[I]f the non-literal structures of literary works are protected by copyright; and if computer programs are literary works, as we are told by the legislature; then the non-literal structures of computer programs are protected by copyright."). *See also Whelan Associates, Inc. v. Jaslow Dental Laboratory, Inc.*, 797 F.2d 1222, 1248 (3d Cir. 1986), *cert. denied*, 479 U.S. 1031 (1987); *Kepner-Tregoe, Inc. v. Leadership Software, Inc.*, 12 F.3d 527, 536 n.20 (5th Cir.), *cert. denied*, 115 S. Ct. 82 (1994); *Johnson Controls, Inc. v. Phoenix Control Systems, Inc.*, 886 F.2d 1173, 1177 (9th Cir. 1989); *Gates Rubber Co. v. Bando Chemical Industries, Ltd.*, 9 F.3d 823, 840 (10th Cir. 1993).

thorship in the non-literal aspects of computer programs. *See* House Report at 54. When Congress amended the Copyright Act in 1980,⁵ it adopted the definition of "computer program" recommended in 1978 by the National Commission on New Technological Uses of Copyrighted Works ("CONTU"), thereby reconfirming that computer programs are to be protected under the same fundamental principles as other literary works.⁶

This approach to the protection of computer programs as literary works has been confirmed more recently in the international context, as Congress has ratified the North American Free Trade Agreement ("NAFTA") and adopted legislation to implement its provisions in the United States. Pub. L. No. 130-182 (Dec. 8, 1993). Among the intellectual property provisions of NAFTA is the commitment of member countries to protect computer programs under copyright law as literary works. NAFTA, Art. 1705(1)(A).

Similarly, the Agreement on Trade-Related Intellectual Property Rights ("TRIPS") which the U.S. adopted in 1994 in connection with the General Agreement on Tariffs and Trade ("GATT"),⁷ requires member nations to protect computer programs as literary works. TRIPS, Art. 10(1). In Europe, the 1991 Council Directive on the Legal Protection of Computer Programs, 91/250/

⁵ Computer Software Amendments of 1980, Pub. L. No. 96-517, 94 Stat. 3015, 3028 (1980).

⁶ *See Final Report of the National Commission on New Technological Uses of Copyrighted Works* 11-14 (1978) ("CONTU Final Report"). Because Congress adopted CONTU's recommended amendments in 1980 almost verbatim and without discussion, courts have looked to the CONTU Final Report as an accurate reflection of Congressional intent. *See, e.g., Apple Computer*, 714 F.2d at 1252; *Micro-Sparc, Inc. v. Amtype Corp.*, 592 F. Supp. 33, 35 n.7 (D. Mass. 1984).

⁷ Uruguay Round Implementation Act, Pub. L. No. 103-826 (Dec. 8, 1994).

EEC, art. 6, 1991 O.J. (L. 122) 42, also mandates literary work protection for computer programs. Thus, Congress has led the world in recognizing that computer programs must be protected in the same manner and to the same extent as other original works of authorship.

II. THE FIRST CIRCUIT MISUNDERSTANDS THE PURPOSE AND MEANING OF § 102(b)

Copyright protection for a computer program, as for any "original work of authorship," extends only to its expression, and not to any "idea . . . process, system [or] method of operation . . . embodied in such work." 17 U.S.C. § 102(b). This section of the Copyright Law is a restatement of the idea/expression dichotomy, which has always been central to balancing the competing interests of copyright owners and the public by keeping ideas in the public domain while encouraging authors to create new works.⁸ Melville B. Nimmer & David Nimmer, 1 NIMMER ON COPYRIGHT § 1.10[B][2](1995); William F. Patry, 1 COPYRIGHT LAW AND PRACTICE 319 (1994).

By interpreting § 102(b) as an independent, *a priori* bar to copyright protection for expressive works of authorship—in this case, the expression of a method of operation—the First Circuit ignores the balance inherent in the idea/expression dichotomy. This interpretation of § 102(b) is also inconsistent with the explicit language of the Copyright Act, the intent of Congress as reflected in the legislative history, and the clear consensus of the other appellate courts which have addressed the issue. Further, the First Circuit's approach reflects a misunderstanding of the

⁸ The legislative history confirms that Congress intended to restate, and not change the law in this regard.

Section 102(b) in no way enlarges or contracts the scope of copyright protection under the present law. Its purpose is to restate, in the context of the new single Federal system of copyright, that the basic dichotomy between expression and idea remains unchanged.

House Report at 57.

holding of this Court in *Baker v. Selden*, 101 U.S. 99 (1869) ("*Baker*"), which is consistent with the idea/expression dichotomy.

A. The First Circuit Took a Dangerous and Improper Shortcut in Applying § 102(b), Ignoring the Explicit Language of the Copyright Act

For works of authorship of all kinds, in order to determine whether infringement of copyrightable material has occurred, a court must separate protectible expression from the unprotectible ideas contained in a work. See, e.g., *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 347 (1991) (telephone directories); *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 547 (1985) (presidential memoirs); *Mazer v. Stein*, 347 U.S. 201, 217 (1954) (ornamental lamps); *Walker v. Time-Life Films, Inc.*, 784 F.2d 44, 49 (2d Cir.), cert. denied, 476 U.S. 1159 (1986) (fact-based motion picture); *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, 274 F.2d 487, 488 (2d Cir. 1960) (fabric designs); *Ricker v. General Electric Co.*, 162 F.2d 141, 144-46 (2d Cir. 1947) (book containing scientific materials); *Nichols*, 45 F.2d at 121 (play).

The First Circuit, however, expressly refused to separate the protectible expression which it presumed to exist in the Lotus menu command hierarchy, either by applying the abstraction-filtration-comparison methodology articulated by the Second Circuit in *Altai*, or by applying any other form of analysis. Rather, it chose a simplistic and novel view of § 102(b). It saw no need to separate the unprotectible ideas embodied in the Lotus menu command hierarchy from the specific concrete expression which the district court found Lotus had created to embody those ideas. *Lotus*, 49 F.3d at 815-16.⁹ Instead, the First Circuit concluded that, because "users operate Lotus 1-2-3 by using the menu command hierarchy," the expression

⁹ The court accepted the district court's holding that the command hierarchy was in fact expressive. *Lotus*, 49 F.3d at 815-16.

contained in the Lotus hierarchy is part of the "method of operation" of Lotus 1-2-3 and is thus excluded from copyright protection under Section 102(b) of the Copyright Act. *Id.* at 816.

B. The First Circuit Approach Ignores the Intent of Congress as Reflected in the Legislative History

Contrary to the First Circuit's position, Congress intended § 102(b) merely to be a codification of the idea-expression dichotomy, not an alternative to it. The 1976 House Report directly addressed this issue in connection with the copyrightability of computer programs:

Section 102(b) is intended, among other things, to make clear that the *expression* adopted by the programmer is the copyrightable element in a computer program, and that the actual *processes* or *methods* embodied in the program are not within the scope of the copyright law. Section 102(b) in no way enlarges or contracts the scope of copyright protection under the present law. Its purpose is to restate, in the context of the new single Federal system of copyright, that the *basic dichotomy* between expression and idea remains unchanged.

House Report, at 57 (emphasis added).¹⁰

The CONTU Final Report similarly confirmed the centrality of the idea-expression distinction in the computer context, noting that the "words of a program" are copyrightable even when they "are used ultimately in the implementation of a process." CONTU Final Report at 21. Moreover, the CONTU Report directly expressed the Congressional understanding that copyright in a computer program is not confined to the literal code, but ex-

¹⁰ This passage from the House Report also demonstrates that Congress did not intend to draw fine distinctions among the various "exclusions" enumerated in § 102(b), such as "method," "process" and "idea." Particularly in the context of computer programs, the legislative history uses such terms interchangeably as antonyms for "expression."

tends to more abstract, non-literal elements as well, provided that they constitute expression, rather than "idea" or "process":

The line which must be drawn [to distinguish protectible from unprotectible elements of a program] is between the *expression* and the *idea*, between the *writing* and the *process* which is described.

CONTU Final Report at 25 (emphasis added).

The First Circuit's holding that § 102(b) absolutely precludes copyright protection for concrete expression, such as the selection and arrangement of the Lotus menu hierarchy—which the court assumed to be expressive—without reference to the idea/expression dichotomy, *Lotus*, 49 F.3d at 816, is contradicted by the legislative history of the Copyright Act and the 1980 Computer Software Amendments.

C. The First Circuit Approach Ignores the Judicial Consensus as to the Meaning of § 102(b)

In light of the statutory text and the legislative history of § 102(b), other courts of appeals have uniformly rejected the argument that particular computer program elements are *a priori* a process, system, method of operation or idea without regard to whether they embody any expression. *See, e.g., Apple Computer*, 714 F.2d at 1250-51 (rejecting defendant's argument that operating system programs are "*per se* excluded from copyright" under § 102(b) as a "process" "system" or "method of operation"); *Apple Computer, Inc. v. Formula International Inc.*, 725 F.2d 521, 523 (9th Cir. 1984) (same); *Autoskill, Inc. v. National Educational Support Systems*, 994 F.2d 1476, 1493, 1495 n.23 (10th Cir.) ("*Autoskill*") (rejecting challenge that reading training program was "process", "method of operation" or "procedure" and explicitly holding that the abstraction-filtration-comparison analysis is appropriate to determine whether program keying procedure is protected or not), *cert. denied*, 114

S. Ct. 307 (1993); *M. Kramer Mfg. Co. v. Andrews*, 783 F.2d 421, 435-36 (4th Cir. 1986) (noting that courts reject that programs are *per se* a process or system and rejecting similar argument concerning computerized video game).

More generally, the courts of appeals have consistently interpreted § 102(b) as neither more nor less than a restatement of the idea-expression dichotomy. *See, e.g., CCC Information Services, Inc. v. Maclean Hunter Market Reports, Inc.*, 44 F.3d 61, 69 & n.12 (2d Cir. 1994), *cert. denied*, 116 S. Ct. 72 (1995); *Whelan*, 797 F.2d at 1234 (3d Cir. 1986), *cert. denied*, 479 U.S. 1031 (1987); *Kepner-Tregoe*, 12 F.3d at 533 & n.8 (5th Cir.); *Robert R. Jones Associates, Inc. v. Nino Homes*, 858 F.2d 274, 277 (6th Cir. 1988); *Toro Co. v. R & R Products Co.*, 787 F.2d 1208, 1211-12 (8th Cir. 1986); *Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d 1435, 1443 (9th Cir. 1994), *cert. denied*, 115 S. Ct. 1176 (1995); *Cable/Home Communication Corp. v. Network Productions, Inc.*, 902 F.2d 829, 842-43 (11th Cir. 1990).

Accordingly, the First Circuit's ruling that § 102(b) automatically places expressive works of authorship outside the scope of copyright protection is not only unprecedented, it is contradicted by the overwhelming weight of authority, as well as by the statute and its legislative history. As the cases cited above recognize, a proper application of § 102(b) requires the court to decide as a threshold matter whether the authorship at issue constitutes idea or expression. If it falls on the "expression" side of that line, § 102(b) does not authorize a court to automatically deny copyrightability. Contrary to the First Circuit's characterization, *Lotus*, 49 F.3d at 815-16, this separation of idea and expression is not an optional innovation introduced by the Second Circuit's decision in *Altai*. It is a statutory requirement which the courts are not at liberty to disregard. Moreover, this is so whether

the work in question is a presidential memoir, an architectural plan, a film or, as here, computer software.

D. The First Circuit Approach Misinterprets *Baker v. Selden* and the Merger Doctrine

The sole support which the First Circuit cites for its conclusion that § 102(b) bars copyright in both expression and ideas is this Court's decision in *Baker*, cited at 49 F.3d 816-17. *Baker*, however, provides no support for the First Circuit's argument. It merely articulates the fundamental copyright doctrine of merger, whereby expression may be denied copyright protection if it is a "necessary incident" to the idea or process which it embodies. Thus, *Baker* does not eliminate the necessity of separating idea from expression, as the First Circuit erroneously concluded.

At issue in *Baker* were certain ruled ledger sheets for which the author of an accounting text sought copyright protection. This Court denied protection for the ledger sheets, not because the sheets themselves were an "idea" or "process", but because the court found that they must "necessarily be used as incident to" the system of accounting described in Baker's textbook. This Court reasoned that a copyright on the sheets would have extended impermissibly into a monopoly on the unprotectible system itself. It was for this reason the sheets were deemed uncopyrightable. Baker's textbook, however, did not lose its protection. Expression which merely describes a system, without foreclosing others from describing the same system in a different way, is protectible.

The courts consistently have held that *Baker* only stands for the proposition that expression merged with idea or process cannot be protected. However, expression which is *not* merged with an idea is protectible, even if it is part of a functional work. *Mazer*, 347 U.S. at 218. *See also Engineering Dynamics, Inc. v. Structural Software, Inc.*, 26 F.3d 1335, 1345 (5th Cir. 1994) (noting

that *Baker* held ledger sheets were not copyrightable because "they were necessary incidents" to the idea or process embodied in the bookkeeping system); *Auto-skill*, 994 F.2d at 1493 (district court properly dealt with § 102(b) and the process/expression dichotomy as discussed in *Baker* by excluding the highest levels of abstraction and considering lower, more detailed levels in filtration analysis); *Altai*, 982 F.2d at 704-05 (noting that *Baker* held ledger sheets not copyrightable because they were "necessary incidents" to accounting systems, but *Baker* offered "scant guidance on how to separate idea or process from expression" or how to distinguish necessarily incident expression).

The other circuit courts which have dealt with the issue of the protectibility of the non-literal elements of a computer program have adopted some variation of the abstraction-filtration methodology, such as in the Second Circuit's *Altai* approach. As part of this analysis, once the idea and the expression have been separated in the abstraction step, the expression may be denied protection in the filtration step, *inter alia*, under *Baker* and the merger doctrine. Thus, *Baker* may preclude protection for certain particular expressions under certain circumstances, but it does not, under any analytic approach, authorize a court to invoke § 102(b) as an alternative to separating idea from expression, or automatically to deny copyright protection for expressive works.

III. THE UNINTENDED RESULT OF THE FIRST CIRCUIT'S EXPANSIVE READING OF § 102(b) COULD ADVERSELY AFFECT COPYRIGHT LAW GENERALLY

The First Circuit acknowledges that computer software code is generally copyrightable. *Lotus*, 49 F.3d at 816 n.11. Yet its definition of "method of operation" in § 102(b) ("a means by which a person operates something" *Id.* at 815), can be viewed as in conflict

with the statutory definition of a computer program as a "set of statements or instructions to be used directly or indirectly in a computer to bring about a certain result." 17 U.S.C. § 101.¹¹ Thus, there is a significant danger that the First Circuit's definition of method of operation will erode copyright protection for computer software far beyond menu command hierarchy.

The First Circuit's decision also could have unintended but pernicious implications beyond the field of computer software. A similar result could arise for the expressive elements of works considered by a court to be a "system" or "process". The broadbrush wording of the First Circuit's opinion does not suggest any limit to the scope of its view of § 102(b).

The First Circuit's interpretation of § 102(b), however, is unnecessary to maintain a balance between the competing interests in this case. A legitimate limit is already in place under existing copyright doctrine. It is the idea-expression dichotomy, codified with the passage of § 102(b), but dismissed by the First Circuit as unnecessary.

¹¹ A noted copyright scholar observed, "since we know that Congress did determine in 1980 to protect computer programs, the terms 'process,' 'system,' or 'method of operation' [found in § 102(b)] must not be understood literally." Jane C. Ginsburg, *Four Reasons and a Paradox: The Manifest Superiority of Copyright over Sui Generis Protection of Computer Software*, 94 COLUM. L. REV. 2559, 2570 (1994). Judge Boudin, in his concurring opinion in *Lotus*, frankly concedes that the apparent "string of exclusions" enumerated in § 102(b), including the term "method of operation" on which the majority relied, cannot be "taken literally" without excluding most computer programs from copyright protection. *Lotus*, 49 F.3d at 820. The First Circuit's overbroad understanding of "method of operation" must, therefore, be incorrect.

CONCLUSION

Amicus curiae AIPLA takes no position on the factual issues of this case or the issue of the copyrightability of the Lotus 1-2-3 menu command hierarchy. AIPLA urges only that the Court apply, in its analysis of that issue, fundamental principles of copyright law as set forth above.

Respectfully submitted,

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